

Georgia's Public Private Partnership (P3) Program

Partner Workshop

October 30, 2009



Agenda

- **Introduction**
- **P3 Program**
- **P3 Project Planning**
- **P3 Governing Documents**
- **Rules**
- **Guidelines**
- **Moving Forward Together**
- **Next Steps**

Introduction

- Senate Bill 200, enacted in May, revamped existing P3 enabling legislation
- This new legislative direction provides an opportunity to reinvigorate Georgia's P3 program by realigning the approach to developing and procuring P3 projects to be consistent with best practices witnessed in the US and internationally
- The Department has spent the summer months aggressively reassessing its policies, and resources in an effort to redefine its organizational approach and commitment to P3
- Critical to a successful P3 program is coordinated leadership from Georgia's leading transportation partners

"P3s need strong leadership. We have had numerous important officials working on the deal in the background. These people were instrumental in getting this deal done. " (FDOT Secretary Stephanie Kopelousos on the Port of Miami Tunnel P3 project that closed in October)

P3 Program

-Impacts of SB 200 on P3 Program-

- SB 200 eliminates all previous PPI code sections and forms a new framework for Public Private Partnerships :
 - Authorizes the Department to develop rules to assist in the evaluation of P3 proposals and to implement the purposes of the P3 law
 - Requires the Department to develop a biennial P3 project list
 - Requires all P3 projects be solicited and competitively procured
 - Provides that the Department will give quarterly reports to Legislative Transportation Committees on the progress of all P3 projects
 - Creates a P3 Division, which is supported internally by:
 - P3 Steering Committee –includes the Commissioner, two State Transportation Board members and representatives from each major division
 - Working Group –includes advisors and staff that coordinate and execute day-to-day program needs

P3 Program

-Benefits-

- Attract new capital for projects and leverage existing funding
- Capture private sector innovation
- Accelerate project delivery
- Greater cost certainty
- Encourage life cycle costs efficiencies and quality facility performance
- Shift risks from the state to the private sector partner
- Award based on best value, not simply price
- Realize competitive tension to drive value
- Project configurations provides varying degrees of private sector participation
 - Design-Build-Finance
 - Design-Build-Finance-Operate-Maintain

P3 Activities Update

-Timeline for key P3 activities-

11 May 2009

Senate Bill 200 signed by Governor

18 Jun 2009

The State Transportation Board elected a new Commissioner

26 Jun – 27 Jul 2009

P3 Program Implementation Plan developed

23 Jun – 16 Sep 2009

P3 Rules developed and presented to State Transportation Board

18 Jun – 31 Jul 2009

Biennial list of P3 candidate projects developed and delivered to the State Transportation Board

10 Jul 2009

Presented P3 potential project list to ARC and other state MPOs

23 July 2009

P3 Staff Workshop

P3 Activities Update

-Timeline for key P3 activities (continued)-

28 Jul 2009

First P3 Steering Committee meeting

07 Aug – 04 Nov 2009

Screening of candidate projects for purposes of establishing a pipeline of near, medium, and long term projects

04 Sep - Present

Development of Guidelines

20 Oct 2009

Met with House and Senate Transportation Committees

30 Oct 2009

Meeting with Transportation Partners

03 Nov 2009

Rollout of newly redeveloped P3 website

04 Nov 2009

P3 workshop with State Transportation Board and opening of the Rule making process

P3 Activities Update

-Timeline for key P3 activities (continued)-

03 Dec 2009

Industry workshop to introduce P3 program/projects to the P3 industry

10 Dec 2009

Conditional approval of Rules by State Transportation Board

Jan 2010

P3 Rules to be approved by the House and Senate Transportation Committees

21 Jan 2010

Anticipated Board approval of final Rules

30 Jun 2010

Goal for the Department to initiate its first solicited P3 project

P3 Project Planning

-Project list-

P3 Project report submitted to the Board on July 31st per SB 200, including:

- Managed Lanes System Projects
- IT3 Capacity Improvement Projects
- High Speed Rail Projects
- Intercity Passenger Rail Program Projects
- Downtown Atlanta Multimodal Passenger Terminal
- Welcome Centers and Rest Areas

P3 Project Planning

-Screening Process-

- The objective was to prioritize projects to enable focused project development and resource allocation
- Worked with Planning Director to identify projects to advance as P3
- Presented P3 potential project list to ARC and other state MPOs and solicited input
- Developed a comprehensive 2 step project screening protocol
 - Completed data collection
 - Each project was scored through consensus by the scoring committee
- Screened projects reviewed and finalized by the P3 Steering Committee incorporating IT3 principles and Congestion Mitigation Task Force recommendations
- Projects appropriate for conventional transportation P3 delivery were categorized into Tier 1 or 2
- Final screened projects to be presented to the State Transportation Board and subsequently shared publicly

P3 Project Planning

-“Pipeline” Concept-

- Projects in the pipeline identified through the screening process
- P3 pipeline is a set of near, medium and long term projects
- Various criteria that measured P3 project feasibility
- Foundation for future biennial P3 project identification
- Some projects are more “mature” than others
 - Projects with ongoing NEPA will be the first in the pipeline
 - Projects identified by the MLSP but requiring NEPA will follow
 - Other feasibility and NEPA studies will be required to advance projects
- Purpose is to not just build one project, but a process of building a program

P3 Governing Documents

- Hierarchy -

Senate Bill 200
Enabling Legislation

Rules
Framework for implementing SB 200

Guidelines
Internal guidance for the Department

Solicitation Documents
Varies from project to project

Rules

Purpose and Intent

- Department responsible for promulgating rules per SB 200
- Provides framework for implementing SB 200

Process and Timeline

- Met with House and Senate Transportation Committees on October 20 and obtained comments
- Additional comments will be obtained from transportation partners, stakeholders and industry professionals
- Rule-making process planned to open in November and close in December
- Presented to State Transportation Board for conditional approval at December meeting pending final submission to the House and Senate Transportation Committee at the beginning of the 2010 session

Rules

Principles for Drafting Rules

- Based on best practices
- Confined to implementing SB 200
- Department's internal procedures for implementing P3 program will be addressed in separate guidelines

Key P3 Concepts Addressed in the Rules

- Solicited versus unsolicited proposals
- Two-step versus one-step procurement processes
- Use of innovative project delivery methods

Review and Discuss Rules

- Please refer to the summary and Rules handout

Guidelines

Purpose

- Provide a general framework, process and structure for the Department's P3 program. The Guidelines are advisory and descriptive in nature

Status

- Drafting of the Guidelines is a work in progress

Timeline for completion

- The Guidelines are intended to be maintained as a living document with changes and revisions made as appropriate

*A draft copy of the Guidelines has been provided

Moving Forward Together

- The Department has worked to reinvigorate the P3 program by reorganizing and committing greater resource to its P3 efforts
- Georgia's transportation partners are needed to chart a cohesive and aggressive, but achievable course that leads to the development of a robust P3 program
- This meeting is intended to serve as a kick-off meeting to future cooperation designed to integrate our P3 efforts
- It's the Department intention to coordinate in short order individual meetings to begin defining roles, responsibilities and expectations
- The P3 program's new direction is exciting and full of potential. The Department looks forward to working with its transportation partners to ensure its success

Moving Forward Together

Executive Branch

- Political support and direction

SRTA

- Tolling and enforcement

GRTA

- Regional transit development and service provider

ARC

- Regional planning and development

FHWA

- Federal aid/project approval and oversight

FTA

- Approval and oversight of transit projects

MARTA

- Transit service provider

P3 Next Steps

- Present P3 screened projects to the State Transportation Board
- Schedule Partner meetings to begin defining roles, responsibilities and expectations
- Develop coordinated P3 program outreach for the public and stakeholders, including public officials, local governing authorities and agencies
- Conduct industry workshop in early December to present P3 program, screened P3 projects, and solicit feedback
- Secure approval of rules by House and Senate Transportation Committees for final approval by the Board
- Perform pre-solicitation and solicit at least one P3 project in 2010